

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

AUG 19 2005

FILED

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

FORTIS INSURANCE COMPANY,

RESPONDENT.

CONSENT ORDER

CAUSE NO. C-1526

Aug 15, 2005 ACCT# 8521 \$1,000.00
NO-INVOICE 72600 TRAN# 1491178
FORTIS INSURANCE COMPANY
CHECK# 269214

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Martin W. Swanson and Fortis Insurance Company ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§ 44-101.01, 44-303 and 44-4047, et seq.
2. Respondent retains a certificate of authority as an insurance company under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Fortis Insurance Company, Cause Number C-1526 on July 7, 2005. A copy of the petition was served upon the Respondent's registered with the Department by certified mail, return receipt requested.
2. Respondent violated §§44-1524 and 44-1525(12), as a result of the following conduct:

- a. Cheryl Jensen (Jensen) is a licensed non-resident insurance producer with Respondent. Jensen was brought a short-term medical application for Janet King (King). King was not her client and, in fact, she was brought this application by Ryan Schaake (Schaake), who is an appointed agent with Bankers Life and not with Respondent. Schaake completed the application for King. Jensen did not know King nor did she ever meet or discuss the policy with King. Jensen, as an appointed agent, did receive a commission for this business.
- b. Jensen added her agent information to the application, without ever meeting or contacting King directly, and submitted it to Respondent for issue. Respondent did issue the policy and, after subsequent investigation by Scott Zager, insurance investigator for the Nebraska Department of Insurance, Respondent argued that Jensen's actions were proper even though she never met nor even talked to King.
- c. Schaake admitted that he, in fact, assisted King with the application and that he is not appointed with Fortis.
- d. The application contains language that states "the agent acknowledge(s) that the applicant has read, or has had read to him, the completed application." The application denotes that Jensen is the agent that submitted the complete application to Respondent. Jensen never performed the activities required by the application.
- e. Jensen admitted that she specifically printed her name rather than signing her name specifically to denote that she was not present while the application was completed.

3. Respondent was informed of their right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving their right to a public hearing, Respondent also waives their right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations contained stated in Paragraph #2 above.

CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of §§44-1524, 44-1525(12).

CONSENT ORDER

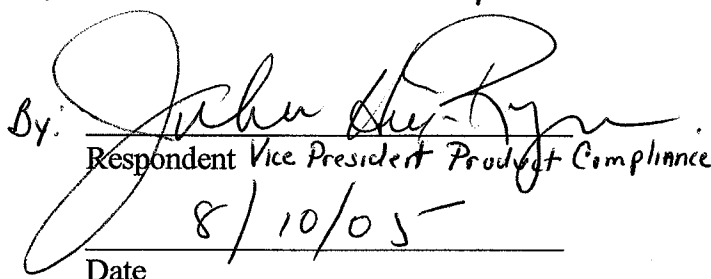
It is therefore ordered by the Director of Insurance and agreed to by Respondent, Fortis Insurance Company, that they shall pay an administrative fine of \$1000. The fine shall be paid in total within thirty days after the Director of the Department of Insurance affixes his signature to this document and approves said consent agreement. If Respondent fails to pay this fine in the time specified, further action shall ensue. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signature below.



Martin W. Swanson, #20795
Attorney for Nebraska
Department of Insurance
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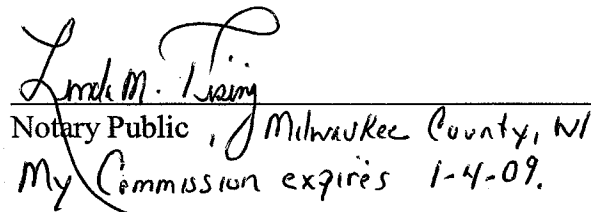
8/17/05
Date

Fortis Insurance Company

By: 
Respondent Vice President Product Compliance
8/10/05
Date

State of Wisconsin)
County of Milwaukee) ss.

On this 10th day of August, 2005, Julie Hix-Royer personally appeared Ryan Schaeke before me and read this Consent Order, executed the same and acknowledged the same to be ~~his~~ her voluntary act and deed.


Notary Public, Milwaukee County, WI
My Commission expires 1-4-09.

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the
Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs.
Fortis Insurance Company, Cause No. C-1526.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



L. TIM WAGNER
Director of Insurance

August 19, 2005
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent, at
501 West Michigan, P.O. Box 3050, Milwaukee, WI 53201, by certified mail, return receipt
requested on this 19th day of August, 2005.

